



## Attachment A PROPERTY AT A GLANCE



### Willow Run II

**FHA #: 092-35650**

ADDRESS **1401 5<sup>th</sup> Street  
Willmar, MN 56201**  
COUNTY: **Kandiyohi**

EARNST MONEY: **\$50,000** SALES PRICE: **HUD to Bid the Debt**  
TERMS: **"All Cash- As Is"; 30 calendar days to close**  
LETTER OF CREDIT: **\$708,049** SALE TYPE: **Foreclosure**

### PROJECT INFORMATION

Total Units	Residential	Commercial	Foundation:	Concrete ftgs, foundation walls
<b>84</b>	Revenue <b>84</b>	<b>0</b>	Roof:	Flat gravel
	Non-Revenue <b>0</b>		Exterior:	Wood siding and brick veneer
Building/Site Type <b>0</b>			Floors/Finish:	Carpet Tile

Number of Buildings	Stories	Year Built	Rehab Year	Approximate Site Acreage	Approximate Net Rentable Area
<b>2</b>	<b>3</b>	<b>1977</b>	<b>2004</b>		<b>72,720</b>

#### Mechanical Systems

<b>Heating:</b>		<b>Air Conditioning</b>	
Fuel <b>Gas</b>		Wall Unit	
System <b>Central</b>		Screen	
<b>Hot Water:</b>			
Fuel <b>Gas</b>			
System <b>Central</b>			

#### Utilities

Public Water	<input checked="" type="checkbox"/>
Gas Main	<input checked="" type="checkbox"/>
Electric	<input checked="" type="checkbox"/>
Sanitary Sewer	<input checked="" type="checkbox"/>
Storm Sewer	<input type="checkbox"/>
Septic Tank	<input type="checkbox"/>

#### Parking

Street	<b>Asphalt</b>
Curb	<b>Concrete</b>
Sidewalk	<b>Concrete</b>
Parking Lot	<b>Asphalt</b>
Parking Spaces	<b>(1) Lot</b>
	<b>129</b>

#### Apartment Features

<input checked="" type="checkbox"/>	Air Conditioning
<input type="checkbox"/>	Dishwasher
<input type="checkbox"/>	Microwave
<input type="checkbox"/>	Garbage Disposal
<input checked="" type="checkbox"/>	Refrigerator
<input checked="" type="checkbox"/>	Range/Oven
<input checked="" type="checkbox"/>	Drapes/Blinds

#### Community Features

<input type="checkbox"/>	Garage
<input type="checkbox"/>	Covered Parking
<input checked="" type="checkbox"/>	Laundry Facility
<input checked="" type="checkbox"/>	Cable/Sat Hookup
<input type="checkbox"/>	Playground
<input type="checkbox"/>	Pool
<input type="checkbox"/>	Community Space

#### Owner Expense

<b>Water/Sewer</b>
<b>Gas</b>
<b>Refuse Removal</b>

#### Tenant Expense

<b>Electricity</b>

#### OCCUPANCY

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2012</b>	<b>99%</b>	<b>99%</b>	<b>97%</b>	<b>97%</b>	<b>97%</b>	<b>97%</b>	<b>97%</b>	<b>97%</b>	<b>94%</b>	<b>95%</b>	<b>93%</b>	<b>97%</b>
<b>2011</b>	<b>100%</b>	<b>100%</b>	<b>96%</b>	<b>96%</b>	<b>90%</b>	<b>95%</b>	<b>95%</b>	<b>92%</b>	<b>90%</b>	<b>94%</b>		

#### ESTIMATED ANNUAL RENTAL INCOME and EXPENSE:

# of HAP Units	Type (# of Bdrs)	Approx Square Feet	Current Gross Rent (Contract Rent plus UA)	Estimated Utility Allowance (UA)	After Sale Contract Rent (excluding UA)	Total After Sale Contract Rent (excluding UA)
<b>7</b>	<b>2H</b>	<b>950</b>	<b>629</b>	<b>41</b>	<b>588</b>	<b>\$4,116</b>
<b>24</b>	<b>2H</b>	<b>980</b>	<b>645</b>	<b>41</b>	<b>604</b>	<b>14,496</b>
<b>11</b>	<b>3H</b>	<b>1050</b>	<b>735</b>	<b>43</b>	<b>692</b>	<b>7,612</b>
# of Non HAP Units	Type (# of Bdrs)	Approx Square Feet	Current Rent		After Sale Rent	Total After Sale Rent
<b>36</b>	<b>1</b>	<b>700</b>	<b>500</b>	<b>N/A</b>	<b>500</b>	<b>18,000</b>
<b>5</b>	<b>2</b>	<b>950</b>	<b>570</b>	<b>N/A</b>	<b>570</b>	<b>2,850</b>
<b>1</b>	<b>3</b>	<b>1050</b>	<b>650</b>	<b>N/A</b>	<b>650</b>	<b>650</b>
Estimated/Possible Monthly Total (HAP and Non-HAP)						<b>\$47,724</b>

Total Estimated/Possible Annual Income	
Rent	<b>\$572,688</b>
Commercial	
Parking	
<b>TOTAL</b>	<b>\$572,688</b>
Estimated Annual Expenses	
Administrative	<b>\$118,400</b>
Utilities	<b>103,400</b>
Operating	<b>122,200</b>
Taxes/Insurance	<b>125,000</b>
Reserve/Replace	<b>25,200</b>
O & M Maintenance	<b>1,000</b>
<b>Total</b>	<b>\$495,200</b>

#### COMMENTS CONCERNING PROJECT INFORMATION:

H signifies a HAP Unit (EX: 2H is a two-bedroom HAP unit.)

A Project- Based Section 8 Housing Payment Contract (HAP) for a total of 42 units will be provided with this sale. The HAP contract will cover 42 units out of the total 84 units. Project- based assistance is predicated on the availability of funds.

HUD intends to "bid the debt" at the foreclosure sale. HUD is not offering financing with this sale.

The foreclosure sale is limited to governmental entities and 501 (c) 3 non-profits that have long-term experience with affordable housing in the State of Minnesota and persons holding liens of record on the Project. Non-profit bidders are required to submit to the Foreclosure Commissioner: 1) a copy of a Resolution indicating or affirming non-profit status for the organization and granting authority to a representative of the organization to enter a bid; and 2) a Certificate of Good Standing for the non-profit organization from the State of Minnesota.

Due diligence should be performed in advance of submitting a bid. While care has been exercised to ensure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the Project is of such type and general character as to interest them in its purchase. HUD makes no warranty as to the accuracy of such information.

## USE RESTRICTIONS

**20 Years affordable rental housing.**

**Two-year rent protection for eligible residents.**

### PROJECT BASED SECTION 8

A Housing Payment Contract (HAP) will be provided to the Purchaser prior to Closing. Predicated on the availability of funds, assistance will be available for eligible residents in 42 units at the Project. Bidders are cautioned that payments under the HAP Contract may start for qualifying units immediately after Closing. However, HAP units must meet HUD's Physical Condition Standards within 180 calendar days of Closing. HUD will inspect these units to ensure compliance. Bidders are urged to review the Project Based Section 8 Assistance Rider, the HAP Contract and Use Agreement and Riders to obtain a complete understanding of the requirements and conditions of the Foreclosure Sale. Prior to receipt of the subsidy payments, Purchaser may not charge eligible tenants, who are slated to receive Section 8, more than the amount of Total Tenant Payment the tenant would be required to pay under Section 8 program. In addition, some tenants may have to be temporarily relocated due to HUD required repairs. HUD has already accounted for these and other costs in this Project's disposition process. Therefore, HUD is not obligated to make any monetary adjustments to cover any costs that may be incurred by the Purchaser. Bidders should compute their bids accordingly.

### TERMS OF SALE

- HUD intends to submit a bid in the amount of the indebtedness at the foreclosure sale.
- This is an "All-Cash" – "As-Is" sale. HUD is not providing financing for this sale. Payment of the full bid price must be presented at Closing.
- The foreclosure sale is limited to governmental entities and 501(c)3 non-profits that have long-term experience with affordable housing in the State of Minnesota and persons holding liens of record on the Project. Non-profit bidders are required to submit to the Foreclosure Commissioner: 1) a copy of a Resolution indicating or affirming non-profit status for the organization and granting authority to a representative of the organization to enter a bid; and 2) a Certificate of Good Standing for the non-profit organization from the State of Minnesota.
- No consideration will be given to a bid submitted by any party currently suspended or debarred from participating in HUD programs. As provided for in 24 C.F.R. Part 27, the defaulting mortgagor, or any principal, successor, affiliate, or assignee on the mortgage at the time of default shall not be eligible to bid on or otherwise purchase this Project. ("principal" and "affiliate" are defined at [24 C.F.R. § 200.215](#).)
- Bids for this Project will only be considered for acceptance if properly submitted by following the bidding instructions which includes but is not limited to submitting evidence of bidding eligibility, the Earnest Money Deposit, forms and statements as required in the Invitation. High Bidder will be reviewed to determine if eligible to bid, qualified to purchase, own and manage the Project.
- The High Bidder must certify to HUD that any/all projects that are owned by the bidder or its affiliates and are located in the same jurisdiction (City or Town) where the Project is located are in substantial compliance with applicable state and local housing statutes, regulations, ordinances and codes. See Attachment G, Certification of Substantial Compliance.
- High Bidder has the option to file the required Previous Participation Certification (Form HUD-2530) in electronic or paper format. **For questions concerning APPS contact the Multifamily Housing Systems Help Desk at 1-800-767-7588. For questions concerning Secure Systems contact the REAC Help Desk at 1-888-245-4860.**
- Repairs estimated at \$2,832,195, must be completed to HUD's satisfaction within 18 months of Closing. Refer to the Use Agreement, Riders 3 and 10, Required Rehabilitation and Environmental Hazards, and Attachment E for more information.
- Closing is to be held thirty (30) calendar days after HUD notifies the High Bidder that they are qualified to purchase the Project being offered.
- If HUD approves an extension of the Closing, the Purchaser must pay a fee which is the greater of 1.5% of the bid price or HUD's holding costs of \$40.80 per unit per calendar day for each thirty (30) calendar day period.
- The Use Agreement will include the following Riders: Enforcement, Equity Participation, Required Rehabilitation, Project-Based Section 8 Assistance, Affordability of Units, Two-Year Rent Protection for Pre-Existing Very Low-Income Tenants, Nondiscrimination Against Multifamily Section 8 Certificate and Voucher Holders, Relocation, Reserve Fund for Replacement Account, Environmental Hazards,.

**PROSPECTIVE BIDDERS SHOULD READ AND THOROUGHLY UNDERSTAND ALL INFORMATION PROVIDED HEREIN AND IN THE BID KIT PRIOR TO SUBMITTING A BID.**

### INFORMATION AND BID KIT

INFORMATION and BID KIT may be viewed or printed at [the Multifamily Property Disposition web site](#).

You may also sign up for [our electronic mailing list](#). If you do not have access to the internet or cannot download a PDF file, you may contact the Realty Specialist identified below to obtain a copy of the bid kit.

#### Bids for Willow Run II Apartments:

MUST BE PRESENTED ON: June 28, 2013

At: 10:30 am (local time)

Location of Foreclosure Sale:

Kandiyohi County Sheriff's Office  
Law Enforcement Center  
2201 23<sup>rd</sup> Street, NE  
Willmar, MN 56201-6600

#### HUD Office and Contact Information for submission of documents:

Fort Worth HUD Office  
Multifamily Property Disposition Center, 6AHMLAT  
801 Cherry Street, Unit #45, Ste. 2500  
Fort Worth, TX 76102

**Realty Specialist:** Sean Alfred  
Phone: (817) 978-5816  
Fax: (817) 978-6018  
Email: [sean.t.alfred@hud.gov](mailto:sean.t.alfred@hud.gov)

### INSPECTION OF PROJECT

HUD does not own or operate this facility and cannot grant access for viewing. Viewing is at the discretion of the current owner. No Open House has been scheduled for this sale.